



FOR IMMEDIATE RELEASE

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**GREAT-WEST RETIREMENT SERVICESSM COMPLETES TRANSACTION
WITH FEDERATED INSURANCE FOR GROUP RETIREMENT BUSINESS**
Plans and participants will have enhanced services, seamless transition

DENVER, Colo., -- Great-West Retirement Services, a unit of Great-West Life & Annuity Insurance Company (Great-West), today announced the successful acquisition of Federated Insurance's group retirement business. The conversion of plan and participant accounts was successfully transitioned on November 15, 2003, and the conversion was completed in an unprecedented manner with a seamless transition leaving participants invested in the market throughout.

Federated Insurance customers were given the option of transitioning to Great-West or moving their business to another provider. Nearly 87 percent of all Federated's plans selected to enter into a contract with Great-West.

"We could not be more pleased with the outcome of this transaction," said Charlie Nelson, Senior Vice President, Great-West Retirement Services. "Of Federated's total block of business nearly 87 percent of the plans converted to Great-West Retirement Services. We are honored to be providing qualified retirement products and services to these plans from Federated."

One of the reasons Great-West was selected by Federated is the company's vast experience in transitioning large and complex blocks of plans. During the short transition period, which kept participants invested in the market, Great-West converted 649 plans from Federated's 401(k) client base.

Federated Insurance elected to discontinue its group retirement plan business after determining that clients would be better served by a retirement services partner able to provide the product diversity and level of service that its customers are increasingly coming to expect. With the assistance of consulting and advisory services to Federated provided by the Spectrem Group, Great-West was selected as the company that would best meet its client's expectations and needs.

“Throughout our long history, we have conducted our business activities in the best interest of our valued clients, trade association partners and our employees,” said Mark Scharmer, Executive Vice President, Insurance Operations. “It is within this framework that we decided to transfer our group retirement business to Great-West.”

Mr. Scharmer added that not all of Federated’s client retirement plans will be transferring to Great-West. Only those qualified retirement plans with Federated’s group annuity or flexible premium annuity products (401(k) and profit sharing plans) were involved in the transaction with Great-West Retirement Services. Federated will continue to sell and service retirement plans, such as Simplified Employee Pensions, IRAs and non-qualified plans.

For the Federated customers joining Great-West Retirement Services as partners, the following enhanced services will be provided:

- Comprehensive online access to account information and educational tools
- Investment advice and financial planning tools through Advised Assets GroupSM, LLC¹
- 24-hour telephone (voice response unit) access to account information²
- Expanded array of investment options
- No administrative fees
- Two scheduled on-site visits by Great-West Education Counselors to conduct enrollments and answer questions annually

To further assist with the transition, Federated transferred client-plan information electronically for immediate loading on Great-West’s recordkeeping system, ISIS.

Federated Insurance Companies is a multiple-line insurer offering specialized coverages and risk management services for select industries. Federated is rated A+ (Superior) by A.M. Best Company and is one of only eight companies named Ward’s Financial Group’s Top 50 Benchmark Group for both Property and Casualty list, as well as the Life and Health Insurance List in 2003. With consolidated assets in excess of \$3 billion and total premiums exceeding \$1.2 billion, Federated is the 5th largest Property and Casualty Mutual Insurance Company in the nation and is recommended by over 320 trade associations and industry organizations.

Great-West Retirement Services provides retirement products and services to corporate 401(k) and institutional clients, as well as government, healthcare and education customers in the public/non-profit markets. Great-West Retirement Services was named “Recordkeeper of the Year for 2003” by *Defined Contribution News* and is the 7th largest recordkeeper in the country as ranked by *Plan Sponsor* magazine in June 2003. In all, Great-West Retirement Services provides 401(k), 401(a), 403(b) and 457 retirement plan services to more than 10,500 plans representing more than 2.4 million participants and in excess of \$43 billion in assets.

Great-West Life & Annuity Insurance Company, headquartered in Denver, services its customers through a full range of retirement savings products and services, annuities, life and disability insurance and health care plans. It is an indirect, wholly owned subsidiary

of Great-West Lifeco Inc. and a member of the Power Financial Corporation group of companies.

¹ Online investment advice is offered by Advised Assets GroupSM, LLC and powered by Financial Engines Investment Advisors®, LLC. Both are federally registered investment advisors. Financial Engines® is a registered trademark and Financial Engines Investor Advisor® service is a registered service mark of Financial Engines, Inc. Representatives of GWFS Equities, Inc., are not Registered Investment Advisors and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

² Access to KeyTalk® and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

Great-West Retirement ServicesSM refers to products and services provided by Great-West Life & Annuity Insurance Company, First Great-West Life & Annuity Insurance Company and Financial Administrative Services Corporation. Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of First Great-West Life & Annuity Insurance Company, Albany, New York. Investment options may be offered through a group fixed and variable deferred annuity issued by Great-West Life & Annuity Insurance Company and/or through mutual funds. Annuity contracts for plans situated in New York are issued by First Great-West Life & Annuity Insurance Company. Great-West Life & Annuity Insurance Company is not authorized to conduct business in New York.

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